

Message Text

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ACTION ARA-17

INFO OCT-01 ADP-00 SEC-03 TRSE-00 PA-03 PRS-01 USIA-12

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P 091500 Z MAR 73

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 3435

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E. O. 11652: GDS

TAGS: PGOV, PINT, EFIN, CS

SUBJECT: VESCO' S REFERENCE TO INVESTMENTS IN COSTA RICA

REF: SAN JOSE 0790 AND LANE/ LIPPE TELCON MARCH 8.

1. VESCO' S REMARKS ABOUT THE \$25 MILLION INVESTED IN COSTA RICA WERE MADE IN HIS PRESS CONFERENCE AT THE HOTEL COSTA RICA ON MARCH 6. THE EMBASSY HAS NO FIRST HAND INFORMATION CONFIRMING HIS STATEMENTS; HOWEVER, TWO PRINCIPAL DAILY NEWSPAPERS REPORTED ESSENTIALLY THE SAME INFORMATION; BOTH DIRECTLY QUOTING VESCO' S ANSWERS.

2. IN REPLY TO A QUESTION ABOUT HOW MUCH HE HAD INVESTED IN COSTA RICA, VESCO WAS REPORTED IN LA NACION TO HAVE REPLIED "25 MILLION OR A LITTLE MORE, BUT I DON' T KNOW WHAT THE SPECIFIC INVESTMENTS ARE." HE WAS ALSO REPORTED HAVING SAID HE HAD INVESTED IN GOVERNMENT BONDS, HOUSING PROGRAMS AND ICE (THE GOVERNMENT ELECTRIC COMPANY). HE SAID, " THE PLAN THAT I HAD FOR COSTA RICA WAS TO INVEST SOME \$50 MILLION HERE, SOME OF THESE MILLIONS, FOR EXAMPLE, IN THE LUMBER INDUSTRY, BUT I CAN SEE THAT THERE ARE MANY OTHER PROBLEM AREAS HERE (TO INVEST IN)".

3. LA REPUBLICA, IN ITS REPORT OF THE PRESS CONFERENCE, REPORTED VESCO SAYING THAT HIS INVESTMENTS IN COSTA RICA ARE NOT MUTUAL FUNDS. THE ACCOUNT QUOTED HIM, " I DON' T REMEMBER

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EXACTLY WHAT INVESTMENTS I HAVE MADE IN THE COUNTRY, BUT I AM SURE THAT THE RESOURCES CAME FROM DIFFERENT BANKS, OTHERS ARE PRIVATE INVESTMENTS AND OTHERS FROM FRIENDLY COMPANIES. THERE ARE NO MUTUAL FUNDS IN THIS." LA REPUBLICA REPORTED THAT VESCO SAID HE HAD INVESTED MORE THAN \$25 MILLION IN THE COUNTRY, BUT DID NOT REMEMBER IN DETAIL WHAT THEY WERE EXCEPT FOR LARGE AMOUNTS IN ICE AND INVU (THE COSTA RICAN HOUSING AUTHORITY). THE ARTICLE WENT ON TO STATE THAT HIS INTENTION WAS TO BRING IN \$50 MILLION TO FORM A GENERAL FUND WHICH WOULD SERVE BUSINESSMEN WHO WANTED TO ENLARGE OR IMPROVE THEIR BUSINESSES. THE IDEA " WAS NOT TO FORM A SUPER COMPANY".

4. VESCO' S PREPARED REMARKS FOR NATIONAL TELEVISION MARCH 6, PUBLISHED IN THE PRESS THE NEXT DAY REFERS ONLY TO THE CHARACTER OF HIS INVESTMENTS HERE NOT THE AMOUNT. THE SECTION IS FREELY TRANSLATED AS FOLLOWS: " ALL THE INVESTMENTS THAT WERE PROMOTED BY THE SO- CALLED VESCO GROUP ARE COMPLETELY HEALTHY (SANAS). THEY HAVE HELPED SEVERAL PUBLIC INSTITUTIONS IN THE SOCIAL SECTOR AND COMPANIES THAT NEEDED SUPPORT. THESE INVESTMENTS HAVE CONTRIBUTED TO CREATE, DIRECTLY OR INDIRECTLY, MORE THAN 1,000 JOBS FOR COSTA RICAN WORKERS. PRESENTLY I AM CONSIDERING OTHER INVESTMENT OPERATIONS FOR COSTA RICA, ESPECIALLY IN THE FIELD OF LOW COST HOUSING, AN AREA WHICH I AM PERSONALLY SYMPATHETIC TOWARD. I BELIEVE SINCERELY THAT NO COSTA RICAN WILL EVER HAVE TO BE SORRY ABOUT THE ARRIVAL IN THEIR COUNTRY OF FINANCIAL GROUPS THAT ARE ALWAYS READY TO HELP AND THAT COME TO THE COUNTRY WITH THE IDEA OF INVESTING." VESCO OMITTED READING FROM THE PREPARED TEXT THE FIRST THREE TRANSLATED SENTENCES PICKING UP THE TEXT AGAIN WITH " PRESENTLY I AM CONSIDERING...."

INFORMATION AVAILABLE TO EMBASSY INDICATES THAT VESCO PRESS CONFERENCE WAS NOT TAPE BY LOCAL PRESS.

VAKY

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